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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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In the Matter of)

North American Numbering Council)
Recommendations On The North American)
Numbering Plan Administrator, Billing And)
Collection Agent, And Related Rules)

CC Docket No. 92-237

AT&T CORP. REPLY COMMENTS

Pursuant to Section 1.415 of the Commission's Rules, 47 C.F.R. § 1.415, and the Public Notice released May 19, 1997, AT&T Corp. ("AT&T") hereby submits its reply comments on the North American Numbering Council's ("NANC") recommendations for the North American Numbering Plan ("NANP") Administrator ("NANPA") and billing and collection agent.¹

NANPA Recommendation. All but one of the commenters in this proceeding conclude that the proposal offered by Lockheed Martin Corp., the vendor

¹ Recommendation of the North American Numbering Council: North American Numbering Plan Administrator And Billing And Collection Agent, released May 15, 1997 ("NANC Recommendations"). A list of parties submitting comments and the abbreviations used to identify them are set forth in an appendix to these reply comments.

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recommended by the NANC, is inferior to that offered by Mitretek Systems.² AT&T concurs in this assessment, and shares many of the concerns raised by Mitretek's supporters. However, although Lockheed's initial proposal was unsatisfactory in some respects, AT&T believes that the regulations proposed by the NANC adequately address critical issues such as staffing and intellectual property rights. Accordingly, if the Commission enacts the rules NANC has proposed to govern the NANPA, AT&T believes that Lockheed can perform satisfactorily, and would not oppose selection of that vendor as NANP Administrator.³

Many commenters contend that because it proposed to employ a staff less than half the size of Mitretek's, Lockheed would not be able to effectively administer

² Six commenters state that they believe Mitretek's proposal is superior to Lockheed's (see AirTouch, p. 1; AT&T, p. 1; CTIA, p. 1; PCIA, p. 2; SWBT, p. 1; WorldCom, p. 2), while two others criticize Lockheed and praise Mitretek, but do not specifically endorse the latter company. See California, pp. 1-9; Omnipoint, pp. 3-5. Only MCI supports the selection of Lockheed as the NANPA.

³ One commenter attacks the NANC's recommendations on the grounds that they were made by simple majority vote, rather than consensus. See CVS, pp. 1-3. It is plain, however, that although the Commission hoped for consensus recommendations, it did not require them. Section 52.11 of the Commission's rules provides that the NANC's duties "may include, but are not limited to: ... Making recommendations reached through consensus...." Plainly the NANC could reasonably conclude that it was better to make a recommendation by a contested majority vote than to make no recommendation at all because of an inability to reach consensus. The Commission is not bound by the NANC's findings in any event, but should simply use them as an input to its own decision making process. The fact that the NANC selected Lockheed by the narrowest possible margin should, however, enter into the Commission's weighing of its recommendations. See SWBT, p. 4.

numbering resources.⁴ In addition, California and SWBT contend that Mitretek's proposal to distribute its staff across five regional offices is superior to Lockheed's plan to place all of its employees in Tarrytown, New York.⁵ AT&T agrees that the use of regional offices could prove to be preferable, and that Lockheed may be too thinly staffed. If this proves to be the case, all sectors of the telecommunications industry could find that they cannot obtain numbering resources to meet the public's increasing demands for services.

The NANC's proposal clearly obligates the NANPA to fulfill at least 120 percent of projected demand for NPA relief at the agreed-upon price.⁶ In addition, Lockheed represented to the NANC that it would consider distributing personnel across three regional offices with no increase in charges.⁷ Lockheed has not agreed simply to provide 25 employees, but rather to perform a specific service -- administration of the NANP. If the entity selected as the new NANPA fails to provide in a satisfactory fashion the services specified in the requirements document and the relevant regulations, the proposed rules expressly permit termination of that entity's status as NANPA and other relief.⁸ Nevertheless, if Lockheed's initial staffing plans prove inadequate, it will take

⁴ See AirTouch, pp. 6-7; California, pp. 2-4; CTIA, pp. 2-5; Omnipoint, p. 3; PCIA, pp. 3-5; SWBT, pp. 6-9.

⁵ See California, pp. 4-6; SWBT, p. 8.

⁶ See proposed regulation § 52.15(d).

⁷ See NANC Recommendations, p. 8.

⁸ See proposed regulation § 52.12(e).

some time for it to hire additional employees -- time that industry can ill afford given the numerous NPAs already facing jeopardy situations. Thus, in order to address the concerns raised by the commenters, the Commission may wish to amend the proposed rules so as to make even more explicit the requirement that the NANPA must add and deploy staff as reasonably necessary to meet anticipated demand.

Some commenters also contend that Lockheed, unlike Mitretek, has not agreed to grant the NANC rights to software and other intellectual property developed in the course of its NANPA duties.⁹ AT&T agrees that intellectual property issues are critical to the NANPA selection process; however, the NANC's proposed rules expressly provide that "the NANP Administrator shall make available any and all intellectual property and associated hardware ... generated by or resulting from its performance as NANP Administrator" at no additional charge.¹⁰ If this proposed rule is enacted, any entity selected as the NANPA will be bound by it, whether or not that vendor's initial proposal included such a provision. If any of the commenters believes that the wording of the NANC's proposed regulation does not adequately preserve intellectual property rights, then AT&T would welcome suggestions to strengthen that provision.

In addition, several commenters echo concerns expressed in the NANC's report concerning the fact that Lockheed could potentially serve as NANPA and as Local Number Portability Administrator ("LNPA") in four of the seven LNP regions.¹¹ AT&T

⁹ California, p.7; Omnipoint, pp. 3-4; PCIA, pp. 5-6; WorldCom, p. 4.

¹⁰ Proposed regulation § 52.13(f); see also MCI, pp. 13-15.

¹¹ See, e.g., AirTouch, pp. 7-8; CTIA, pp. 5-6.

agrees that permitting a single vendor to control LNPA and NANPA functions could give that entity significant leverage in negotiating the terms of future contracts, and that this fact weighs strongly in Mitretek's favor.

NANP Billing and Collection Agent. Finally, NECA, the entity the NANC recommends as the NANP Billing and Collection Agent ("BCA"), urges the Commission to reject the NANC's proposed "neutrality cure" for its operations.¹² NECA's proposal should be summarily rejected.

The NANC recommended unanimously that in order to serve as BCA, NECA must create an independent board exclusively for purposes of overseeing its activities as Billing and Collection Agent.¹³ NECA represented to the NANC that "it would be responsive to a specific request by the FCC" that it create such a Board.¹⁴

Despite its previous expression of intent to cooperate with the NANC, NECA now argues that as a cost saving measure it should be permitted to oversee BCA activities through its proposed Universal Service Administration Company ("USAC"), rather than through a separate board. As a preliminary matter, any cost savings realized by not forming a separate BCA Board would be trivial. In addition, NECA's proposal to create USAC is still pending before the Commission -- it is not yet clear whether that

¹² See NECA, pp. 2-3. NTCA is the sole commenter that supports NECA's proposal.

¹³ See NANC Recommendations, p. 13.

¹⁴ Id.

entity will ever be formed.¹⁵ Most importantly, having represented that it would be willing to form a separate BCA Board and having received NANC's recommendation based on that representation, NECA should not now be permitted to argue in favor of combining oversight of BCA and universal service functions in a single entity. AT&T strenuously opposes NECA's suggestion.

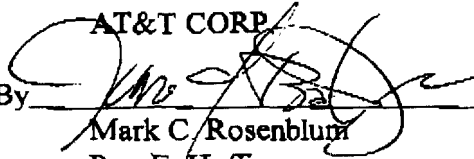
¹⁵ See NECA, p. 3 n.8.

CONCLUSION

AT&T concurs with the clear majority of commenters in this proceeding that Mitretek is the strongest candidate to serve as the NANPA. However, if the Commission enacts the NANC's proposed rules to govern NANP administration, AT&T believes that Lockheed can perform adequately in the role of NANPA and would not oppose the selection of that vendor.

AT&T strongly supports the NANC's recommendations for the NANP Billing and Collection Agent, including its recommendation that NECA create a separate and distinct Billing and Collection Agent Board.

Respectfully submitted,

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July 3, 1997

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(CC Docket No. 92-237)

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Cellular Telecommunications Industry Association ("CTIA")

Communications Venture Services, Inc. and Richard C. Bartel ("CVS")

MCI Telecommunications Corporation ("MCI")

Mitretek Systems, Inc. ("Mitretek")

Omnipoint Communications, Inc. ("Omnipoint")

National Exchange Carrier Association, Inc. ("NECA")

National Telephone Association ("NTCA")

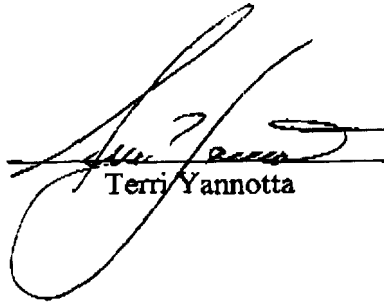
Personal Communications Industry Association ("PCIA")

Southwestern Bell, Pacific Bell and Nevada Bell Telephone Companies ("SWBT")

WorldCom, Inc. ("WorldCom")

CERTIFICATE OF SERVICE

I, Terri Yannotta, do hereby certify that on this 3rd day of July, 1997, a copy of the foregoing "AT&T Corp. Reply Comments" was mailed by U.S. first class mail, postage prepaid, to the parties listed on the attached service list.


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July 3, 1997

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